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7BY BOB HORTON1

WASHINGTON, JULY 7; REUTER - THE SOVIET UNION WILL DEVOTE INCREASING AMOUNTS OF MONEY TO DEFENSE IN THE 1980S DESPITE CONCERN OVER AN ECONOMIC SLOWDOWN; ACCORDING TO A U.S. CENTRAL INTELLIGENCE AGENCY (CIA) STUDY RELEASED TODAY.

THE REPORT SUGGESTED THAT THE ECONOMIC SLOWDOWN THE SOVIET UNION HAD EXPERIENCED SINCE THE 1960S COULD AT BEST PROMPT ONLY MODEST CHANGES IN SOVIET DEFENSE PLANS.

"ALL OF THE EVIDENCE AVAILABLE TO US ON SOVIET DEFENSE PROGRAMS UNDER WAY AND PLANNED SUGGESTS THAT THE LONG-TERM UPWARD TREND IN ALLOCATION OF RESOURCES TO DEFENSE IS LIKELY TO CONTINUE INTO THE 1980S," THE AGENCY SAID.

"THERE IS NO INDICATION THAT ECONOMIC PROBLEMS ARE CAUSING MAJOR CHANGES IN DEFENSE POLICY.

"THE ATMOSPHERE IN MOSCOW WITH REGARD TO THE ECONOMY, HOWEVER, IS ONE OF CONCERN, AND THE SOVIET LEADERS COULD BE CONTEMPLATING MODEST ALTERATIONS IN MILITARY FORCE GOALS," THE CIA SAID.1

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4 "BUT EVEN IF SUCH ALTERATIONS WERE UNDERTAKEN, THE RATE OF GROWTH OF DEFENSE SPENDING OVER THE NEXT FIVE YEARS OR SO PROBABLY WILL SLOW ONLY MARGINALLY," THE AGENCY ADDED.

THE CIA SAID IT EXPECTED THAT DURING THE NEXT DECADE THE SOVIETS WOULD BEGIN TESTING AND DEPLOYING A NUMBER OF NEW WEAPONS SYSTEMS THAT HAVE BEEN UNDER DEVELOPMENT.

SOME CURRENT INTERCONTINENTAL BALLISTIC MISSILE; BALLISTIC MISSILE SUBMARINE AND FIGHTER AIRCRAFT PROGRAMS WERE NEARING COMPLETION; IT SAID.

THE AGENCY SAID EVEN THE CONCLUSION OF A SECOND STRATEGIC ARMS LIMITATION (SALT) TREATY WITH THE UNITED STATES WOULD NOT IN ITSELF SIGNIFICANTLY SLOW THE GROWTH OF SOVIET DEFENSE SPENDING.

THIS ROSE TO 58 BILLION TO 63 BILLION RUBLES (85 TO 92 BILLION DOLLARS) LAST YEAR FROM 40 BILLION TO 45 BILLION (58.4 TO 65.7 BILLION DOLLARS) IN 1967, THE CIA SAID.

BETWEEN 1967 AND 1977, DEFENSE EXPENDITURES REPRESENTED 12 TO 13 PER CENT OF THE SOVIET GROSS NATIONAL PRODUCT, OR TOTAL OUTPUT OF GOODS AND SERVICES, THE CIA SAID.

THE UNITED STATES DEVOTES ABOUT FIVE PER CENT OF ITS GROSS NATIONAL PRODUCT TO DEFENSE.¹

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